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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration

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AMA "WAR BOARD" LETTER

Wash. D.C., July 18, 1942

GRAIN STORAGE: Report on this situation has been made to AMAdministrator Hendrickson. It stresses importance of farm storage and estimates the **RECEIVED** this year to find room for between 200,000,000 and 400,000,000 more bushels of grain than was stored in 1941. 17 programs are being applied to alleviate situation, but even so the situation is pessimistic.

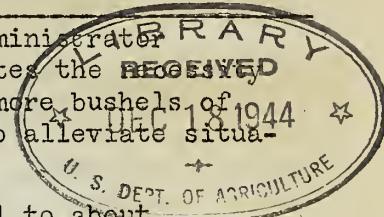
Wheat carry-over in US jumped from 385,000,000 bu. on June 30/41 to about 630,000,000 bu. on June 30/42. Prospective crop this year probably 900,000,000 bu. (Agriculture Department Appropriation bill now before President for signature provides that Government owned wheat stocks can be sold to or by AMA for relief distribution, seed, feed or the manufacture of ethyl or butyl alcohol, acetone or rubber. Government owned cotton stocks may be used for Department's new-uses programs. Sales of wheat for feed are limited to 125,000,000 bushels and must be sold at NOT less than 85 per cent of the parity price for corn at the time of sale.)

Further, normal production from the 55,000,000 acres allocated for 1943 wheat may mean much more serious storage problem in 1943 than now having. This becomes more apparent when it is realized that ability to obtain building materials may be more difficult next year. If it were possible to obtain all necessary material for new construction, many 1942 storage problems would be solved. It is **practically impossible**, however, to obtain critical materials for fire-proof construction. Success or failure of finding storage for carry-over and 1942 production will depend upon obtaining lumber, nails and hardware necessary to build farm storage bins. Working with WPB in endeavor to assure availability of adequate supplies these materials.

INSECTICIDE: About 68,000,000 pounds of calcium arsenate will be manufactured and delivered to the cotton south this year, substantially more than was ever used for cotton insect control. Representatives of calcium arsenate industry have agreed to produce as much of this insecticide as is feasible during July and August. Supplies of arsenic for less essential uses, such as weed eradication, wood impregnation, etc., will be curtailed. OAWR will furnish WPB and producing industry weekly reports on cotton insect infestation prepared by USDA Bureau of Entomology and Plant Quarantine so that part of current production can be directed to those areas where infestation is particularly heavy and existing supplies of insecticide appear inadequate.

CORDAGE: Except increasing shortage of manila fiber and cordage. WPB has ordered further restrictions on civilian supplies of these products. Originally WPB Order M-36 restricted processing, delivery and sale of manila cordage to 70% of 1939. Under an amendment this has been cut to 37% for processing and 4 $\frac{1}{2}$ % for sale and delivery. Almost entire production now reserved for Army, Navy and Maritime Commission. Farmers will have to use substitutes wherever possible.

SUGAR: On July 12, OPA notified local ration boards to accept applications from processors for additional sugar to prevent spoilage and waste of certain fruits and vegetables. The extra allotment is not charged against original quota of processors, unless not used in the manner proscribed. Earlier, OPA raised allotment of sugar to industrial users for period September and October to 80% of normal requirements instead of 70%. A 2 pound extra ration is to be given individual consumers



during period July 10 to August 22. A sugar allowance for public and charitable institutions for canning and preserving fruits for on-the-promise consumption is to be granted on same basis as for home canners. OPA has indicated willingness to consider liberalizing allowance for home preserving.

TRANSPORTATION: As you now know, ODT has postponed indefinitely its 75% backhaul requirements, effective as of July 13. The postponement applies to ODT General Orders 3,4, and 5. While ODT has given NO indication of a substitute for the 75% backhaul requirement, an order dealing with all farm-to-market movements may be expected shortly.

CONTAINERS: WPB has allocated 750 tons of cement-coated nails to be used in manufacture of fruit and vegetable containers and egg cases. Allocations will be made to hardware stores in strategic locations for local distribution to container manufacturers, cooperatives and grower associations. Of these 26 cars of nails, 23 will be distributed in Idaho, Oregon, Washington and California, one in New York and two in Pennsylvania.

DEHYDRATION: 25 plants have been approved for expansion or conversion under AMA program to encourage expansion of vegetable dehydration facilities. Construction of facilities in these approved plants should get underway in next 60 to 90 days. At request of Secretary Wickard's Foods Requirements Committee, WPB will set up bank of metals and other materials for expansion of vegetable and meat dehydration and egg and milk drying facilities. Bank will be drawn upon for materials for the 25 approved vegetable plants. Meanwhile, plans are being worked out for training schools for dehydration plant personnel. While this is strictly in the discussion stage, tentative plans call for one school at ARA research center at Albany, Calif., and another in East. Classes would be limited.

GETTING BAGS BACK: Some dealers make a reasonable charge for bags used as containers of products sold farmers and allow a worth-while credit when they are returned. (Charges for deposits cannot exceed maximums authorized by OPA, which has ruled that they may not be greater than top selling price of an unprocessed bag of same size, type and weight.) Refunds for return of bags are limited in same way. Only exception covers deposits on cement bags.

Another method is for dealers to ship feed, seed, etc., packed in bags on original orders. At time such original sales are made, purchasers are advised that they will continue to receive product packed in bags only if they return to dealer a number of second hand bags equal to the number ordered. Modification of this procedure is for dealers to quote products in both bulk and sacks. Customers are advised that they can order in sacks first time only. From then on, orders will be filled in bulk and sacked only if purchaser provides adequate number of bags. Under this arrangement, dealers frequently assess nominal charge for conditioning second hand bags accompanying new orders.